

UN/CEFACT Project Proposal

Project Name:	Open Finance for Trade Facilitation		
Date submitted:	16 November 2020	Proposed by:	Fabio Sorrentino

1. Project purpose

Required

The financial sector has undergone a massive change over the last years. On the one hand, data are becoming an increasingly important asset for the development of innovative business models. On the other hand, advanced technologies have led new players to increase their market shares through the offer of value-added services.

The so-called Open Finance scenario has spread as an evolution of the Open Banking paradigm, which enabled Third-Party Providers (TPPs), banking and non-banking Payment Service Providers (PSPs), to access banks consumers' data, thus boosting the level of competition and innovation within the financial services field. This possibility has allowed new market players, including digital banks, Fintech and, Big Tech companies to provide customers with an offer of cutting-edge functionalities.

The increasing relevance of customers in the Open Finance domain has also led Payment Service Providers (PSPs) to offer services that are customized to clients' needs and delivered on a real-time basis in order to improve the customer experience. Alongside the retail market, in the Open Finance scenario, PSPs are also providing corporates and enterprises with a variety of financial services. This is the case of insurances and loans, business financial management, crowdfunding, data enrichment just to mention a few.

Advanced technologies, such as Application Programme Interfaces (API), Distributed Ledger Technology (DLT), the Internet of Things (IoT), Artificial Intelligence (AI) and, Machine Learning (ML) are, therefore, feeding the innovation of the financial market, thus leading new and traditional market players to the implementation of new business models.

Taking into account the innovation occurring in the financial domain and the Programme of Work 2021-2022, the Finance and Payment domain deems relevant to launch a study on innovative trends occurring at the global stage and provide an overview of the Open finance scenario.

2. Project scope

Required

The project aims to produce a Whitepaper on Open Finance in order to investigate how the application of innovative API-based financial services could support Trade Facilitation. To this end, the Whitepaper will focus on the definition of Open Finance, elucidating its main characteristics and evolution worldwide. In doing so, it will also analyze the relevance of new players that are taking part in this cutting-edge scenario. Particular attention will be put on a few innovative financial use cases that could be applied to facilitate trade and support the financial value chain at the international level.

The project team, after the completion of the whitepaper, could evaluate whether to broaden the scope of the project with the aim to produce Business Requirements Specifications (BRS) concerning some of the use cases that will be elucidated in the whitepaper. This would be the subject of a further Bureau discussion/approval.

Besides UN/CEFACT recommendations and standards, Finance and Payment experts could take advantage of deliverables produced by other organizations dealing with Open finance, should any relevant report on the topic be realized during the development of the Open Finance for Trade Facilitation Whitepaper.

3. Project deliverables

Required

Deliverable 1:	A White Paper on Open Finance for Trade Facilitation.
Deliverable 2:	
Deliverable 3:	
...	

4. Exit Criteria

Required

Exit Criteria for Deliv. 1:	Whitepaper on Open Finance, providing <ul style="list-style-type: none"> - A definition of Open Finance - An overview of Open Banking and Open Finance ecosystems worldwide - An analysis of new players (Fintech, BigTech) and innovative financial services - Open Finance use cases to support trade facilitation
Exit Criteria for Deliv. 2:	Open Finance use cases
Exit Criteria for Deliv. 3:	Internal and external review logs showing how comments have been addressed
Exit Criteria for ... :	

5. Project Team membership and required functional expertise

Membership is open to UN/CEFACT experts with broad knowledge in the area of:	Banking and financial services, payments, advanced technologies
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In addition, Heads of Delegations may invite technical experts from their constituency to participate in the work.

Experts are expected to contribute to the work based solely on their expertise and to comply with the UN/CEFACT Code of Conduct and Ethics and the policy on Intellectual Property Rights.

6. HoD support

Required for Technical Standards, Business Standards and UNECE Recommendations. And at the request of the UN/CEFACT Bureau.

Projects that require HoD support must obtain this within 6 months of Bureau provisional approval.

7. Geographical focus

The geographical focus of the project is global

8. Initial contributions

The following contributions are submitted as part of this proposal. It is understood that these contributions are only for consideration by the Project Team and that other participants may submit additional contributions in order to ensure that as much information as possible is obtained from those with expertise and a material interest in the project. It is also understood that the Project Team may choose to adopt one or more of these contributions “as is”.

List any initial contributions:

- UN/CEFACT Whitepaper Internet of Things for Trade Facilitation
- UN/CEFACT Whitepaper Blockchain in Trade Facilitation (focus financial services)
- UN/CEFACT Whitepaper Integrated Services for MSMEs in International Trade (ISMIT): Opening the Global Economy to MSMEs
- UN/CEFACT project API Town Plan
- UN/CEFACT project Reference Data Model to API
- UN/CEFACT project on a UNECE Recommendation on Traceability and Transparency for Sustainable Value Chains in the Textile and Leather Sector and related BRS

9. Resource requirements

Participants in the project shall provide resources for their own participation. The existence and functioning of the project shall not require any additional resources from the UNECE secretariat.

Any
additional
request:

10. Proposed project leadership

Proposed:	Fabio Sorrentino	E-mail:	f.sorrentino@cbi-org.eu
Proposed:		E-mail:	

11. Milestones (repeat for each deliverable, if different)

The following are draft milestones of the project.

Yes/No	ODP Stage	Expected Completion Date (Approval + XX months)
	Project Inception	Approval + 1 month
	Requirements gathering	Approval + 4 months
	Draft development	Approval + 12 months
	Public Draft Review	Approval + 14 months
	Project Exit	Approval + 16 months
	Publication	Q1 Forum 2022